



Office of Housing and Redevelopment

First Time Homebuyer Program March 2010

The City of Fremont offers three (3) First Time Homebuyer Programs:

- 1) **Welcome Home Program** - purchase a home anywhere in Fremont
- 2) **Welcome to the Neighborhood Program** - purchase a home in specific neighborhoods in Fremont
- 3) **Moderate Income Homeownership Program** - purchase a home at Below Market Price (BMP)

To be eligible to participate in any one of the three programs, your households' combined gross annual Income (before taxes) **CANNOT** be more than the amount listed below:

Family Size	1	2	3	4	5	6
Moderate Income Homeownership (lottery program)	\$68,750	\$78,500	\$88,450	\$98,200	\$106,050	\$113,950
Welcome Home & Welcome to the Neighborhood (loan program)	\$75,000	\$85,700	\$96,500	\$107,150	\$115,700	\$124,300

If your household's gross annual income is more than the amounts listed above for your family size, your household is ineligible to participate in the program at this time. For those who are eligible, below are highlights of our programs.

Highlights of the 3 First Time Homebuyer Programs

Program Requirements/Facts	Welcome Home	Welcome to the Neighborhood	Moderate Income Homeownership
You must live, work or had previously lived in Fremont.	✓	✓	✓
You can borrow up to \$40,000 as down payment and you will not have to make payments for 45 years.	✓	✓	Cannot use City funds
You can combine City's loan with CalHFA when CalHFA program is active.	✓	✓	Cannot use City funds
If you purchase a home in a Redevelopment Project Area (Centerville, Irvington, & Niles), up to \$10,000 can be forgiven for eligible repairs and improvements done within first seven years of purchase.	N/A	✓ (see page 2)	N/A
You share a portion of the home equity with the City.	✓ (see page 3)	✓ (see page 3)	N/A
If the City purchases your home at a restricted resale price, the \$40,000 loan will be forgiven.	✓ (see page 4)	✓ (see page 4)	Cannot use City funds
If the City does not purchase your home, you may sell it at fair market value. City's loan plus equity share becomes due.	✓ (see page 3)	✓ (see page 3)	The home <u>will be</u> resold at a restricted resale price (see page 4)
You must have good credit.	✓	✓	✓
You must contribute at least 1% out of pocket for the down payment.	✓	✓	✓

Note:

✓ = "Yes"

Eligible Repairs and Property Improvements List

"Welcome to the Neighborhood" Program (ONLY)

(Property must be located in specific neighborhoods of Centerville, Irvington, or Niles District)

During the first seven years, up to 25% (maximum \$10,000) of the City's loan can be forgiven for the eligible repairs and improvements listed below. **(Please notify us before you make any improvements):**

- New roof, gutter system and/or downspouts
- Window replacement for energy efficiency
- Exterior painting, siding and/or stucco repair
- Walkway or driveway repair
- Front yard landscaping and sprinkler system installation
- Utility (heating, plumbing, and/or electrical) upgrade and modernization, not simply repair
- Dry rot repair, including foundation repair or replacement
- Exterior front yard fencing replacement (not repair)
- Removal and/or retrofit of window safety (security) bars
- Earthquake retrofit (to acceptable standards)
- Cost of City permits (all work that requires a city permit must include proof that a permit was received and the work was inspected and approved)
- Attached garage repair (exterior only)

In all cases, the value of your labor is not an eligible cost.

Please take pictures of your home before and after improvements to receive credit for work done to the house.

Equity Share Formula

"Welcome Home" and "Welcome to the Neighborhood" Programs

Equity Share represents the percentage of the City's loan to the original purchase price.

How do I determine the percentage (%) of equity I share with the city?

Example of equity percentage:

Original Purchase Price: \$400,000

Loan from the City: \$ 40,000

- City's share= 10% (\$40,000 divided by \$400,000)
- Your share= 90% of the appreciation

Remember: % of equity shared with the City will vary based on the original purchase price

What will be the amount of equity I share with the City when I sell my home at a future date (within the 45 year loan term)?

Example:

Future Resale price: \$600,000

Original Purchase Price: \$400,000

Appreciation/Equity: \$200,000

- City's share= \$ 20,000 (10% of the appreciation)
- Your share= \$180,000 (90% of the appreciation)

You walk away with \$180,000 of the appreciation

Remember: You pay City's equity share (\$20,000) plus the original loan (\$40,000)

Restricted Resale Price

"Welcome Home", "Welcome to the Neighborhood", & "Moderate Income Homeownership" Program

I) Home purchased under "Welcome Home" or "Welcome to the Neighborhood Program":

If you decide to sell your home within the 45 year loan term, *you must notify the City* to let the City know if you wish to 1) sell your home at fair market value or 2) sell your home to the City at a restricted resale price

- * If you sell your home at fair market value:
 - You repay the City's loan plus an equity share (see page 3)
- * If you choose to sell your home to the City at restricted resale price (refer below):
 - The City will forgive its \$40,000 loan plus the equity share (see page 3).

II) Home purchased under "Moderate Income Homeownership Program":

If you decide to sell your home within the 30 year term, *you must notify the City*. The City has the first option to purchase your home at a "Restricted Future Resale Price" (refer below) or the City will find an income eligible First Time Home Buyer household to purchase your home at a "Restricted Future Resale Price" (refer below).

- * If the City does not purchase your home or find a first time home buyer to purchase your home within 90 - 180 days:
 - You may sell your home in the open market at an unrestricted price

III) "Restricted Resale Price" is lowest of:

